



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

January 8, 2019

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505

Re: Cost of Gas Adjustment (COG)
Rate 88 and Rate 99
Case No. PU-19-008

In accordance with North Dakota Century Code Section 49-05-05, Montana-Dakota Utilities Co. (Montana-Dakota), a Subsidiary of MDU Resources Group, Inc., respectfully submits an original and two (2) copies of a Cost of Gas (COG) change pursuant to the terms of Rates 88 and 99.

Montana-Dakota has updated its presentation of the underlying support for the COG in this filing, as further explained below and will present the information in this manner in future filings. The COG continues to be calculated in accordance with the terms of Cost of Gas-Natural Gas Rate 88 and Cost of Propane Rate 99 as authorized by the North Dakota Public Service Commission; the changes are related to the presentation of supporting information only. The following matrix shows the previously filed exhibit or attachment reference and the reference used herein:

<u>Exhibit Description:</u>	<u>Previously Filed As:</u>	<u>Filed Herein:</u>
Rate Summary Sheet	Attachment A	Exhibit 1
Market Conditions for Regional Gas	Attachment B	Exhibit 3, Pg. 6-7
Pipeline Rate Changes Since Last COG	Attachment C	Exhibit 4, Pg. 1
Cost of Gas Tariff Sheet	Exhibit A	Exhibit 2
Calculation of Current COG	Exhibit B	Exhibit 3
(Public Copy) Gas Commodity Pricing	Exhibit B-1	Exhibit 3a-public
(Confidential) Gas Commodity Pricing	Exhibit B-1	Exhibit 3a
Summary of the Change in Pipeline Rates	Exhibit B	Exhibit 4
Return on Storage, Demand, & Commodity Balances	Exhibit C	Exhibit 5
Computation of (Over)/Under Recovered Gas Cost Adj.	Exhibit D	Exhibit 6
Cost of Propane	Exhibit E	Exhibit 7

The Rate Summary Sheet (173rd Revised Sheet No. 3) showing the proposed natural gas rates reflecting the COG effective February 1, 2019 along with currently effective distribution rates is provided in Exhibit 1. The net effect of this filing, calculated pursuant to the terms of Rate 88, is a decrease of \$0.287 per dk for residential customers and firm general customers, a decrease of \$0.313 per dk for small and large interruptible

customers, and a decrease of \$0.312 per dk for Air Force interruptible customers from the currently effective rates. There is no change in the propane COG for February 2019.

Montana-Dakota purchases gas supplies under a number of contracts and secures transportation service over a number of pipelines for delivery of the natural gas purchased to Montana-Dakota's distribution system to meet the demands of its customers. The commodity cost of natural gas has decreased \$0.295 per dk since the December 1, 2018 rates due to a decrease in the overall commodity price of gas. Changes in pipeline rates increased the cost of gas by \$0.008 per dk.

Montana-Dakota also purchases propane supplies from various wholesale suppliers for the propane service provided in Hettinger, North Dakota. As noted previously, there is no change in the cost of propane from that established in the December COG filing.

The following Exhibits are provided in support of the COG rates to be effective February 1, 2019:

- Exhibit 2 summarizes the cost of gas adjustment, the surcharge adjustment, and the grain drying margin sharing adjustment calculated pursuant to the terms of Rate 88 and 99 that will apply during the month of February 2019.
- Exhibit 3, shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of February 2019 along with an explanation of the reasons for the decrease in the market price of gas. The average cost of gas for firm customers, adjusted for losses, is \$4.198 per dk. A seasonal capacity release contract has been reflected in the determination of pipeline capacity. The release is applicable for the period of November 2018 through March 2019.
- Exhibit 3a is marked as "Confidential" and contains confidential information regarding gas commodity pricing and is designated as Trade Secret in accordance with the Commission's March 23, 2016 Order in Case No. PU-16-008. Exhibit 3a – Public Copy, is also enclosed. Montana-Dakota will submit a renewal of the Application for Trade Secret Protection under separate cover to renew the request of confidential treatment of portions of the cost of gas calculation for 2019.

The presentation of Exhibit 3a has changed to more clearly show the total costs associated with Montana-Dakota's system gas supply and the allocation of those total system costs to North Dakota customers in accordance with Rate 88. Previously, the contract units were allocated and priced at the current rates to determine North Dakota's overall COG on a per unit basis. As shown, the total system costs are now presented on Exhibit 3a page 2 to determine an average rate per unit that is then applied to the contract quantities and volumetric units applicable

to North Dakota as shown on Exhibit 3a page 1. The result of the change again is in presentation only as the calculations shown in this filing result in the same costs if applied to historical COG calculations.

- Exhibit 4 provides a summary of the change in pipeline rates occurring since the last COG filing and a copy of applicable effective pipeline rates along with supporting workpapers.
- Exhibit 5 shows the calculation of the return on storage inventory balances and prepaid demand and commodity balances using the calculation procedure set forth in Rate 88. The overall rate of return of 7.236% applied to the balances was authorized by the Commission in Case No. PU-17-295.
- Exhibit 6 shows the computation of the (over)/under recovered gas cost account balances.

The COG changes, calculated in accordance with Rate 88, will amount to a decrease of approximately \$741,300 for natural gas customers during the month of February 2019. All of Montana-Dakota's retail natural gas customers in North Dakota may be affected by this proposal. There were 109,638 natural gas customers and 341 propane customers in North Dakota as of December 31, 2018.

Please refer all inquiries regarding this filing to:

Ms. Tamie A. Aberle
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Karl A. Liepitz
Assistant General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota submitted a check on February 8, 2018 to the North Dakota Public Service Commission for \$600 pursuant to the requirements of North Dakota Century Code Section 49-05-05. This payment will cover the filing fee associated with the monthly COG filings.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

If you have any questions regarding this filing, please contact me at (701) 222-7856 or tamie.aberle@mdu.com

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment

Rate Summary Sheet
(Proposed)



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

173rd Revised Sheet No. 3

Canceling 172nd Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 2

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	COG Items	Total Rate/ Dk
Residential Rate 60	4	\$0.6860 per day	\$0.000	\$3.971	\$3.971
Air Force Rate 64	7	\$2,000.00 per month \$175.00 per month			
Minot Air Force Base					
PAR Site					
Firm Service			\$0.329	\$3.971	\$4.300
Interruptible Service - PAR			\$0.177	\$2.789	\$2.966
Interruptible Service - MAFB			\$0.177	\$2.765	\$2.942
Firm General Service Rate 70	13	\$0.70 per day \$2.05 per day			
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet			\$0.811	\$3.971	\$4.782
Small Interruptible Gas Rate 71	14	\$190.00 per month	(Maximum) \$1.063	\$2.789	(Maximum) \$3.852
Optional Seasonal Gas Service Rate 72	15	\$0.70 per day \$2.05 per day			
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet			\$0.811	\$4.095	\$4.906
Contracted Demand Service Rate 74	16	\$0.70 per day \$2.05 per day	(Demand Charge) \$6.510	(Capacity Charge) (COG/Dk)	\$10.690 \$2.432
Transportation Service	24				
Small Interruptible Rate 81		\$190.00 per month			
Maximum			\$0.668		
Minimum			\$0.102		
Large Interruptible Rate 82		\$1,500.00 per month			
Maximum			\$0.231		
Minimum			\$0.061		
Large Interruptible Gas Rate 85	27	\$1,500.00 per month	(Maximum) \$0.718	\$2.789	(Maximum) \$3.507
Residential Propane Rate 90	32	\$0.6860 per day	\$0.000	\$9.496	\$9.496
Firm General Propane Rate 92	34	\$0.70 per day \$2.05 per day			
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet			\$0.811	\$9.496	\$10.307

Date Filed: January 8, 2019

Effective Date: February 1, 2019

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-19-008

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE FEBRUARY 2019

	Firm			Small & Large Interruptible	Air Force Interruptible
	Residential & General Service	Optional Seasonal	Contracted Demand		
<u>Gas Cost Adjustment:</u>					
Gas Cost Level (Exhibit 3)	\$4.198	\$4.322	\$2.659	\$2.810	\$2.797
Prior Filed Gas Cost (Effective 12/1/2018)	4.485	4.609	2.944	3.123	3.109
Current Gas Cost Adjustment	(\$0.287)	(\$0.287)	(\$0.285)	(\$0.313)	(\$0.312)
<u>Surcharge Adjustment:</u>					
Current Adjustment	(\$0.214)	(\$0.214)	(\$0.214)	(\$0.021)	(\$0.032)
Prior Filed Adjustment	(0.214)	(0.214)	(0.214)	(0.021)	(0.032)
Change in Surcharge Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Gas Cost Level	\$4.198	\$4.322	\$2.659	\$2.810	\$2.797
Plus: Surcharge	(0.214)	(0.214)	(0.214)	(0.021)	(0.032)
Total Gas Cost Level in Tariff Rates	<u>\$3.984</u>	<u>\$4.108</u>	<u>\$2.445</u>	<u>\$2.789</u>	<u>\$2.765</u>
<u>Grain Drying Margin Sharing</u>					
Current Adjustment	(\$0.013)	(\$0.013)	(\$0.013)	\$0.000	\$0.000
Prior Filed Gas Cost	(0.013)	(0.013)	(0.013)	0.000	0.000
Change in Grain Drying Sharing Margin	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cost of Gas Billed	<u>\$3.971</u>	<u>\$4.095</u>	<u>\$2.432</u>	<u>\$2.789</u>	<u>\$2.765</u>
Net Increase (Decrease) in Gas Costs	<u>(\$0.287)</u>	<u>(\$0.287)</u>	<u>(\$0.285)</u>	<u>(\$0.313)</u>	<u>(\$0.312)</u>

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE FEBRUARY 2019**

	<u>Amount</u>
Total Gas Costs 1/	\$66,229,025
Dk Requirements - Firm 2/	15,847,230
Average Cost of Gas per dk	\$4.179
Average Cost of Gas as Adjusted for Losses @ 99.55%	4.198
Less: Gas Cost Level in Rates 3/	4.485
Current Gas Cost Adjustment	(\$0.287)

- 1/ Includes all pipeline demand and commodity charges, see Exhibit 3a, page 1. See Exhibit 4 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit 5.
- 2/ Normalized dk sales for the twelve months ended September 30, 2018, adjusted for losses at .45%.
- 3/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective December 1, 2018:

Cost of Purchased Gas	\$4.465
Adjustment for Distribution Losses	99.55%
Gas Cost Level in Base Tariff Rates	\$4.485

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
NORTH DAKOTA - OPTIONAL SEASONAL - RATE 72
EFFECTIVE FEBRUARY 2019**

	<u>Amount</u>
Total Gas Costs 1/	\$66,229,025
Less: Annual MDDQ Costs (Excludes Storage Capacity Reservation)	<u>24,281,680</u>
Total Gas Costs excluding MDDQ	\$41,947,345
Firm Service Requirements 1/	15,847,230
Other Gas Costs per Dk (excluding MDDQ)	\$2.647
<u>Winter - October - May</u> Annual MDDQ Costs	24,281,680
Winter Firm Service Requirements	14,665,242
MDDQ Costs per Winter Dk	\$1.656
Add: Other Gas Costs per Dk	<u>2.647</u>
Winter Seasonal Rate	\$4.303
Winter Seasonal Rate, adjusted for losses 2/	\$4.322
Less: Gas Cost Level in Rates 3/	<u>4.609</u>
Current Gas Cost Adjustment	<u><u>(\$0.287)</u></u>

1/ Exhibit 3, page 1.

2/ Loss factor of 0.45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective December 1, 2018:

	<u>Winter</u>
Cost of Purchased Gas	\$4.588
Adjustment for Distribution Losses	99.55%
Gas Cost Level in Base Tariff Rates	\$4.609

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
FIRM GENERAL CONTRACTED DEMAND
EFFECTIVE NOVEMBER 2018**

<u>Cost of Gas</u>	<u>Amount</u>
Total Gas Costs, Excluding Capacity 1/	\$41,947,345
Residential and General Service dk Requirements 2/	15,847,230
Average Cost of Gas per dk	\$2.647
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.659
Less: Gas Cost Level in Rates 3/	<u>2.944</u>
Current Gas Cost Adjustment	<u><u>(\$0.285)</u></u>
<u>Capacity Charge</u>	
Current Monthly Capacity Charge 4/	\$10.69
Prior Filed Capacity Charge 3/	<u>10.70</u>
Current Capacity Charge Adjustment	<u><u>(\$0.01)</u></u>

- 1/ Includes all pipeline demand and commodity charges, see Exhibit 3a, page 1. See Exhibit 4 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit 5.
- 2/ Normalized dk sales for the twelve months ended September 30, 2018, adjusted for losses at .45%.
- 3/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective December 1, 2018:

Cost of Purchased Gas	\$2.931
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.944
Monthly Capacity Charge	\$10.70

- 4/ Annual MDDQ Costs divided by contracted capacity.

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
INTERRUPTIBLE
EFFECTIVE FEBRUARY 2019**

	<u>Amount</u>
Total Gas Costs 1/	\$16,781,082
Dk Requirements - Interruptible	5,999,328
Average Cost of Gas per dk	\$2.797
Average Cost of Gas as Adjusted for Losses @ 99.55%	2.810
Less: Gas Cost Level in Rates 2/	3.123
Current Gas Cost Adjustment	(\$0.313)

1/ Includes all pipeline demand and commodity charges, see Exhibit 3a, page 1. See Exhibit 4 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit 5.

2/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective December 1, 2018:

Cost of Purchased Gas	\$3.109
Adjustment for Distribution Losses	99.55%
Gas Cost Level in Base Tariff Rates	\$3.123

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
EFFECTIVE FEBRUARY 2019

	<u>Amount</u>
<i>Total Gas Costs</i> 1/	\$1,279,965
<i>Dk Requirements - Air Force Interruptible</i>	457,577
Average Cost of Gas per dk	\$2.797
Less: Gas Cost Level in Rates 2/	<u>3.109</u>
Current Gas Cost Adjustment	<u><u>(\$0.312)</u></u>

1/ Includes all pipeline demand and commodity charges, see Exhibit 3a, page 1. See Exhibit 4 for currently effective pipeline rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit 5.

2/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective December 1, 2018:

Cost of Purchased Gas	\$3.109
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**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF FIRM DK DELIVERIES, CAPACITY AND
CALCULATION OF INTERRUPTIBLE DEMAND
EFFECTIVE FEBRUARY 2019**

	Normalized Firm Dk Deliveries 1/	Percent Firm
Montana	9,638,882	27.802460%
North Dakota	15,847,230	45.709863%
South Dakota	6,703,870	19.336690%
Wyoming	2,479,188	7.150987%
Total	34,669,170	100.000000%

	Total Capacity 2/	%
Montana	115,228	27.874527%
North Dakota	189,363	45.808347%
South Dakota	84,101	20.344670%
Wyoming	24,689	5.972456%
Total	413,381	100.000000%

INTERRUPTIBLE

	Dk volumes	100% Load Factor MDDQ
Montana	3,726,315 3/	10,209
North Dakota	5,999,328 4/	16,437
ND AFB	457,577 5/	1,254
South Dakota	1,731,859 6/	4,745
Wyoming	2,199,481 7/	6,026
Total	14,114,560	38,671

1/ Normalized firm sales volumes for the twelve months ended September 30, 2018, adjusted for losses.

2/ Required capacity reservation.

3/ Reflects level of interruptible dk volumes included in Docket No. D2017.9.79.

4/ Reflects level of interruptible dk volumes included in Case No. PU-17-295, excluding the Air Force.

5/ Reflects level of interruptible dk for Minot Air Force Base in Case No. PU-17-295.

6/ Reflects level of interruptible dk volumes included in Docket No. NG15-005.

7/ Reflects level of interruptible dk volumes included in Docket No. 30013-297-GR-14.

	Loss Factors	Inverse
Montana	0.72%	99.28%
North Dakota	0.45%	99.55%
South Dakota	1.00%	99.00%
Wyoming	0.68%	99.32%

**Montana-Dakota Utilities Co.
Market Conditions for Regional Natural Gas
February 2019**

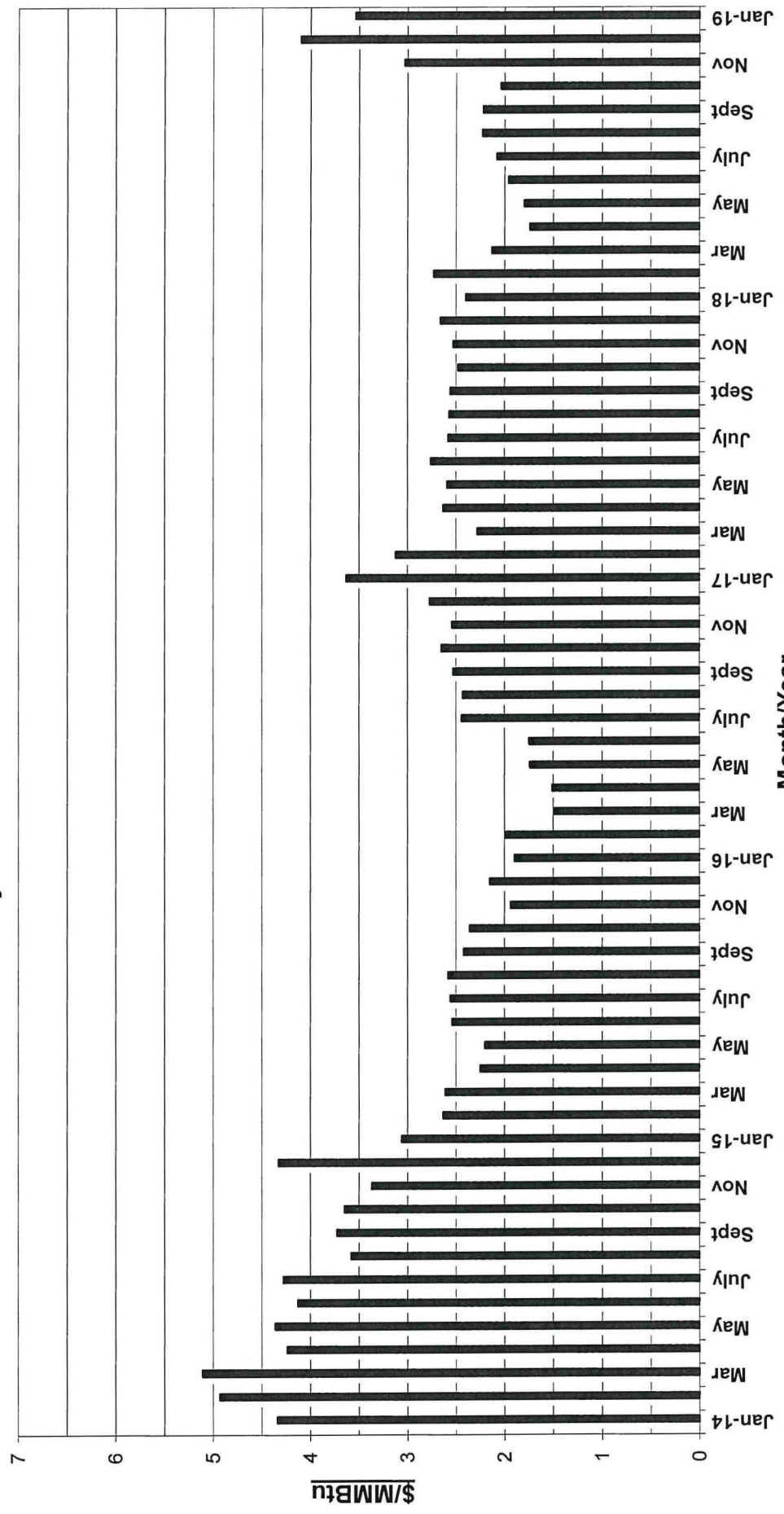
The established monthly price for February 2019's Rocky Mountain CIG Index is expected to decrease by \$0.68/MMBTU to \$2.86/MMBTU from \$3.54/MMBTU in January 2019. The CIG Rocky Mountain Index is based on a price discovery survey by several natural gas periodicals, including "Inside FERC Gas Market" report and "Gas Daily" by McGraw-Hill Companies, of prices paid by willing sellers and buyers of quantities of gas in that region. That price is reflective of natural gas prices in the Rocky Mountain region and indicative of the supplies Montana-Dakota purchases for its requirements.

While national prices are trending approximately 20% lower month-over-month, Henry Hub IFERC January 2019 Index remains \$0.89/MMBTU higher than last year. Rocky Mountain CIG has strengthened its differential against Henry Hub posting \$1.14/MMBTU higher than last year's January posting.

The EIA reported nationwide storage levels as of December 28, 2018 at 17.2 percent below the five-year average and 14.3 percent below last year's balance.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the DOE website: <http://www.eia.doe.gov>.

**CIG Rocky Mountains Index
Monthly Gas Prices 2014-2019YTD**



From Inside F.E.R.C.'s Gas Market Report
Annual Averages: - 2017-\$2.70, 2018-\$2.37, 2019YTD - \$3.54

MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
NORTH DAKOTA GAS UTILITY
EFFECTIVE FEBRUARY 2019

	<u>Requirements</u>	<u>Per Unit Cost</u>	<u>Amount</u>
<u>RESIDENTIAL AND GENERAL SERVICE</u>			
<i>Demand Costs - MDDQ</i>	189,363		
<i>Transportation & Storage Costs - Dk</i>	15,847,230		
<i>Commodity Costs - Dk</i>	15,847,230		
<i>Return on Rate Base</i>			
Demand Charges			\$82,304
Prepaid Commodity Balances			24,326
Cycle Storage Balances			347,291
<i>Total Return</i>			<u>\$453,921</u>
<i>Total Gas Costs - North Dakota only</i>			<u>\$66,229,025</u>
<u>INTERRUPTIBLE</u>			
<i>Demand Costs - MDDQ</i>	16,437		
<i>Transportation & Storage Costs - Dk</i>	5,999,328		
<i>Commodity Costs - Dk</i>	5,999,328		
<i>Return on Rate Base</i>			
Demand Charges			\$7,144
Prepaid Commodity Balances			2,112
Cycle Storage Balances			30,145
<i>Total Return</i>			<u>\$39,401</u>
<i>Total Gas Costs - North Dakota only</i>			<u>\$16,781,082</u>
<u>AIR FORCE INTERRUPTIBLE</u>			
<i>Demand Costs - MDDQ</i>	1,254		
<i>Transportation & Storage Costs - Dk</i>	457,577		
<i>Commodity Costs - Dk</i>	457,577		
<i>Return on Rate Base</i>			
Demand Charges			\$545
Prepaid Commodity Balances			161
Cycle Storage Balances			2,300
<i>Total Return</i>			<u>\$3,006</u>
<i>Total Gas Costs - North Dakota only</i>			<u>\$1,279,965</u>

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF CURRENT GAS COST ADJUSTMENT
TOTAL SYSTEM COSTS
EFFECTIVE FEBRUARY 2019

	<u>Quantity</u>		<u>Tariff Rate</u>	<u>Amount</u>
System Demand Charges				
Transportation Capacity Reservation (MDDQ)				
WBI FT-1	346,498	dk/Month	\$9.21000	\$38,294,959
WBI FT-1 (Valley Exp)		dk/Month	18.90563	
WBI FT-1 (Black Hills Exp)		dk/Month	12.10920	
NW T-FTG-1		dk/Month	10.15205	
Black Hills Gas		dk/Month	7.32500	
South Dakota Interstate Pipeline		dk/Month	10.23485	
Supplemental Transportation Capacity				
Northern Border et. al.		dk/Month	11.54920	
Viking Gas Transmission		dk/Month	4.37060	
Viking Gas Transmission (Release) 1/		dk/Month	3.69670	
Storage Capacity Reservation (MDDQ)				
WBI FTN-1		dk/Month	0.24274	
WBI FS-1 Capacity Reservation		dk/Month	0.01757	
WBI FS-1 Deliverability Reservation		dk/Month	\$2.01507	
Total System Contracted Capacity		MDDQ		<u>\$61,044,910</u>
System Commodity Charges				
Transportation Charges				
WBI FT-1 Commodity		dk	\$0.02972	
WBI FT-1 Commodity (Black Hills Exp)		dk	0.00130	
NW T-FTG-1 Commodity		dk	0.09263	
Black Hills Gas Commodity		dk	0.08000	
Viking Gas Transmission		dk	0.01290	
Fuel Charges				
WBI - Fuel - Transportation		dk		
NW - Fuel - Transportation		dk		
NB - Fuel - Transportation		dk		
WBI - Electric Power		dk	0.00760	
Storage Charges				
WBI FS-1 Injection		dk	0.01221	
WBI FS-1 Withdrawal		dk	0.01221	
WBI - Fuel - Storage		dk		
WBI - Electric Power		dk	0.00367	
Subtotal - Transportation Costs		dk		
Gas Commodity Charges				
Gas Commodity		dk		
Total System Commodity Cost of Gas	34,669,170	dk		<u>\$82,705,905</u>

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF PIPELINE RATES
EFFECTIVE FEBRUARY 2019**

Pipeline Rate Changes Since Last Purchased Gas Adjustment

NorthWestern Energy Docket No. D2018.11.80

On December 7, 2018, NorthWestern Energy filed its 2018 Electric and Natural Gas Tax Tracker filing in Docket No. D2018.11.80 to be effective January 1, 2019.

Approximate impact on Montana-Dakota's cost of gas: 0.0 cents per dk for North Dakota.

NOVA Gas Transmission Ltd.

On October 30, 2018, TransCanada filed new interim rates for the Alberta System with the National Energy Board (NEB) to be effective January 1, 2019.

Approximate impact on Montana-Dakota's cost of gas: 0.1 cents per dk for North Dakota.

Foothills Pipe Lines Ltd.

On October 30, 2018, TransCanada filed new rates for the Foothills Pipe Lines Ltd. System with the National Energy Board (NEB) to be effective January 1, 2019.

Approximate impact on Montana-Dakota's cost of gas: 0.7 cents per dk for North Dakota.

Pipeline Rate Calculations

Calculation of Northern Border Et Al Rate - Exhibit 4, page 2

Calculation of Northwestern Energy Demand and Commodity Charges - Exhibit 4, page 3

Calculation of South Dakota Intrastate Pipeline Transportation Charges - Exhibit 4, page 4

Calculation of Black Hills Gas Transportation Charges - Exhibit 4, page 5

Schedule Of Applicable Effective Pipeline Rates

WBI Energy Transmission, Inc. - Exhibit 4, pages 6 - 11 for Schedules FT-1, FT-1 (Valley Expansion), FTN-1, and FS-1.

Northern Border Pipeline Company - Exhibit 4, page 12 for Schedule T-1.

Foothills Pipe Lines, Ltd. - Billed on a cost of service basis so there are no tariff sheets.

NOVA Gas Transmission - Exhibit 4, pages 13-14 for Schedule FT-D.

NorthWestern Energy - Exhibit 4, page 15 for Schedule T-FTG-1.

South Dakota Intrastate Pipeline - Exhibit 4, page 16 for Rate 1.

Black Hills Gas Distribution, LLC - Exhibit 4, Page 17 for Schedule TC.

Viking Gas Transmission Company - Exhibit 4, Page 18-19 for Category 3 FT-A.

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF NORTHERN BORDER ET AL RATE
EFFECTIVE FEBRUARY 2019**

Northern Border 1/	
Monchy to Mina Mileage	506.0943
Maximum Rate (Daily)	\$0.0256
Maximum Rate Per 100 Miles	<u>\$0.1296</u>
Foothills (FT) Zone 9	
Rate (Canadian GJ/d) 2/	\$0.1450
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	0.7353
	<u>0.1125</u>
NOVA - FT-D	
Demand Rate (Canadian GJ/d) 4/	\$0.1773
GJ/d conversion to MMBtu	1.0551
Currency Exchange Rate 3/	0.7353
	<u>0.1376</u>
Northern Border Et Al Rate (dk/Day)	<u><u>\$0.3797</u></u>
Northern Border Et Al Rate (dk/Month)	<u><u>\$11.5492</u></u>

- 1/ T-1 & T-1B Daily Reservation Rate, Port of Morgan, MT to Ventura, IA effective April 1, 2018. See Exhibit 4, page 12.
- 2/ Rate Schedule FT, Firm Service Zone 9, rates effective January 1, 2019.
- 3/ Exchange rate per January 3, 2019 Gas Daily.
- 4/ FT-D Demand Rate per Month, Empress/McNeill Border, interim rates effective Jan. 1, 2019 (expressed as a daily rate). Includes a 10% discount rate. See Exhibit 4, page 13-14.

**MONTANA-DAKOTA UTILITIES CO.
NORTHWESTERN ENERGY DEMAND AND COMMODITY CHARGES
EFFECTIVE FEBRUARY 2019**

<u>Demand:</u>	<u>Billing Determinants</u>	<u>Rate</u>	<u>Annual Charge</u>
Monthly Meter Charges 1/ MDDQ 2/	12 10,700	\$393.75 10.115246	\$4,725 1,298,798 <hr/> 1,303,523
Demand charge per dk			<hr/> <hr/> \$10.15205
<u>Commodity: 3/</u>			
Transportation			\$0.076673
GTAC			0.015956
			<hr/> <hr/> \$0.092629

1/ One meter rated at >30,000 cubic feet per hour.

2/ Firm Transportation Reservation Rate (T-FTG-1), see Exhibit 4, page 15.
48th Revised Sheet No. 80.1, effective January 1, 2019.

3/ Firm Transmission Commodity Rate (T-FTG-1)
48th Revised Sheet No. 80.1, effective January 1, 2019.

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA INTRASTATE PIPELINE TRANSPORTATION CHARGES
EFFECTIVE FEBRUARY 2019**

<u>Demand:</u>	<u>Monthly Rate 1/</u>	<u>Daily Capacity 2/</u>	<u>Total</u>
MDDQ	159,540.83	15,588	\$10.23485

1/ SD Intrastate Pipeline 1st Revised Sheet No. 1 effective September 1, 2018 through August 31, 2023, see Exhibit 4, page 16.

2/ Dk daily capacity per agreement for Montana-Dakota Utilities Co. on Firm Transportation Service.

NOTE:

Revenue credits received from South Dakota Intrastate Pipeline will be reflected in the above per unit charge if the amount becomes reasonably estimable.

Any actual revenues received will be flowed through to the deferred account.

**MONTANA-DAKOTA UTILITIES CO.
BLACK HILLS GAS TRANSPORTATION CHARGES
EFFECTIVE FEBRUARY 2019**

<u>Demand:</u>	<u>Billing Determinants</u>	<u>Rate</u>	<u>Total</u>
Administrative Fee 1/	12	\$650	\$7,800
MDDQ 2/	2,000	7.00000	168,000
Total			<u>\$175,800</u>
Demand charge per dk			<u><u>\$7.32500</u></u>
<u>Commodity: 2/</u>			
Transportation			<u><u>\$0.08</u></u>

1/ Two meters @ \$325/meter. Black Hills Gas WY Rate Schedule TC, First Revised Sheet No. 9, see Exhibit 4, page 17.

2/ Discount Agreement for Montana-Dakota Utilities Co. on Firm Transportation Service Agreement #6000189 effective January 1, 2016 through March 31, 2019.

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES

RATE SCHEDULE FT-1					

RESERVATION CHARGE					
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)					
MAXIMUM	RATE PER EQV. DKT PER MO.	921.000	N.A.	N.A.	921.000
MINIMUM	RATE PER EQV. DKT PER MO	0.000	N.A.	N.A.	0.000
COMMODITY CHARGE					
MAXIMUM A/B/C/	RATE PER DKT	2.842	N.A.	N.A.	2.842
MINIMUM A/B/C/	RATE PER DKT	2.842	N.A.	N.A.	2.842
SCHEDULED OVERRUN CHARGE					
MAXIMUM A/B/C/	RATE PER DKT	32.112	N.A.	N.A.	32.112
MINIMUM A/B/C/	RATE PER DKT	2.842	N.A.	N.A.	2.842
VOLUMETRIC CAPACITY RELEASE CHARGE					
MAXIMUM	RATE PER DKT	30.279	N.A.	N.A.	30.279
MINIMUM	RATE PER DKT	0.000	N.A.	N.A.	0.000

-
- A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR TRANSPORTATION FUEL USE AND LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGES ARE REFLECTED ON SHEET NO. 21A. THESE PERCENTAGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
 - B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR TRANSPORTATION. THE APPLICABLE RATE IS REFLECTED ON SHEET NO. 21B. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
 - C/ SHIPPER MUST REIMBURSE TRANSPORTER FOR THE ACA SURCHARGE. SUCH SURCHARGE SHALL BE THE ACA UNIT CHARGE SPECIFIED IN THE ANNUAL NOTICE ISSUED BY THE FERC ENTITLED "FY [YEAR] GAS ANNUAL CHARGES CORRECTION FOR ANNUAL CHARGES UNIT CHARGE."

Issued On: February 27, 2015
 Docket Number: RP15-540-000
 FERC Order Date: March 18, 2015

Effective On: April 1, 2015

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES

RATE SCHEDULE FT-1 (VALLEY EXPANSION) A/B					

RESERVATION CHARGE					
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)					
MAXIMUM	RATE PER EQV. DKT PER MO.	1890.563	N.A.	N.A.	1890.563
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	0.000
COMMODITY CHARGE					
MAXIMUM C/D/E/	RATE PER DKT	2.842	N.A.	N.A.	2.842
MINIMUM C/D/E/	RATE PER DKT	2.842	N.A.	N.A.	2.842
SCHEDULED OVERRUN CHARGE					
MAXIMUM C/D/E/	RATE PER DKT	32.112	N.A.	N.A.	32.112
MINIMUM C/D/E/	RATE PER DKT	2.842	N.A.	N.A.	2.842
VOLUMETRIC CAPACITY RELEASE CHARGE					
MAXIMUM	RATE PER DKT	62.155	N.A.	N.A.	62.155
MINIMUM	RATE PER DKT	0.000	N.A.	N.A.	0.000

-
- A/ APPLICABLE ONLY FOR INCREMENTAL CAPACITY CERTIFICATED IN DOCKET NO. CP17-257-000.
 - B/ REFER TO RATE SCHEDULE FT-1 FIRM TRANSPORTATION SERVICE FOR ALL TERMS AND CONDITIONS OF SERVICE.
 - C/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR TRANSPORTATION FUEL USE AND LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGES ARE REFLECTED ON SHEET NO. 21A. THESE PERCENTAGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
 - D/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR TRANSPORTATION. THE APPLICABLE RATE IS REFLECTED ON SHEET NO. 21B. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.
 - E/ SHIPPER MUST REIMBURSE TRANSPORTER FOR THE ACA SURCHARGE. SUCH SURCHARGE SHALL BE THE ACA UNIT CHARGE SPECIFIED IN THE ANNUAL NOTICE ISSUED BY THE FERC ENTITLED "FY [YEAR] GAS ANNUAL CHARGES CORRECTION FOR ANNUAL CHARGES UNIT CHARGE."

Issued On: October 1, 2018
 Docket Number:
 FERC Order Date:

Effective On: November 1, 2018

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES

RATE SCHEDULE FTN-1					

RESERVATION CHARGE					
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)					
MAXIMUM	RATE PER EQV. DKT PER MO.	24.274	N.A.	N.A.	24.274
MINIMUM	RATE PER EQV. DKT PER MO.	1.263	N.A.	N.A.	1.263
VOLUMETRIC CAPACITY RELEASE CHARGE					
MAXIMUM	RATE PER DKT	0.798	N.A.	N.A.	0.798
MINIMUM	RATE PER DKT	0.042	N.A.	N.A.	0.042

Issued On: May 8, 2014
 Docket Number: RP14-118-003
 FERC Order Date: May 14, 2014

Effective On: May 1, 2014

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES

RATE SCHEDULE FS-1					

CAPACITY RESERVATION CHARGE					
MAXIMUM	RATE PER EQV. DKT PER MO.	1.757	N.A.	N.A.	1.757
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	0.000
CAPACITY DELIVERABILITY CHARGE					
MAXIMUM	RATE PER EQV. DKT PER MO.	201.507	N.A.	N.A.	201.507
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	0.000
INJECTION CHARGE					
MAXIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
WITHDRAWAL CHARGE					
MAXIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
SCHEDULED OVERRUN CHARGE					
INJECTION					
MAXIMUM A/B/	RATE PER DKT	18.683	N.A.	N.A.	18.683
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221
WITHDRAWAL					
MAXIMUM A/B/	RATE PER DKT	18.683	N.A.	N.A.	18.683
MINIMUM A/B/	RATE PER DKT	1.221	N.A.	N.A.	1.221

- A/ SHIPPER MUST REIMBURSE TRANSPORTER IN-KIND FOR STORAGE FUEL USE AND LOST AND UNACCOUNTED FOR GAS. THE APPLICABLE PERCENTAGES ARE REFLECTED ON SHEET NO. 21A. THESE PERCENTAGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.
- B/ SHIPPER MUST REIMBURSE TRANSPORTER FOR ELECTRIC POWER USED FOR STORAGE. THE APPLICABLE RATE IS REFLECTED ON SHEET NO. 21B. THIS RATE SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

Issued On: February 27, 2015
 Docket Number: RP15-540-000
 FERC Order Date: March 18, 2015

Effective On: April 1, 2015

NOTICE OF CURRENTLY EFFECTIVE RATES

 FUEL USE AND LOST AND UNACCOUNTED FOR GAS ("L&U") REIMBURSEMENT PERCENTAGES

TRANSPORTATION - RATE SCHEDULES FT-1 AND IT-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	2.041%	(0.281)%	1.760%
L&U REIMBURSEMENT	(0.029)%	0.413%	0.384%

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	5.112%	(0.060)%	5.052%
L&U REIMBURSEMENT	0.056%	0.391%	0.447%

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT PERCENTAGE</u>	<u>DEFERRAL PERCENTAGE</u>	<u>TOTAL PERCENTAGE</u>
FUEL USE REIMBURSEMENT	1.440%	(0.135)%	1.305%
L&U REIMBURSEMENT	(0.313)%	0.267%	(0.046)%

Issued On: August 31, 2018
 Docket Number: RP18-1124-000
 FERC Order Date: September 19, 2018

Effective On: October 1, 2018

NOTICE OF CURRENTLY EFFECTIVE RATES

ELECTRIC POWER REIMBURSEMENT RATES (CENTS/DKT)

TRANSPORTATION - RATE SCHEDULES FT-1 AND IT-1

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.789	(0.029)	0.760

GATHERING - FIRM AND INTERRUPTIBLE

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.000	0.000	0.000

STORAGE - RATE SCHEDULES FS-1 AND IS-1

	<u>CURRENT RATE</u>	<u>DEFERRAL RATE</u>	<u>TOTAL RATE</u>
ELECTRIC POWER REIMBURSEMENT	0.392	(0.025)	0.367

Issued On: August 31, 2018
Docket Number: RP18-1124-000
FERC Order Date: September 19, 2018

Effective On: October 1, 2018

STATEMENT OF RATES

Rate Schedule -----	Long-Term Base Tariff Rate (per 100 Dth-Miles) 1/ -----
T-1 and T-1B	
Daily Reservation Rate - Port of Morgan, MT to Ventura, IA	
Maximum	\$0.0256
Minimum	\$0.0000
Daily Reservation Rate - Ventura, IA to North Hayden, IN	
Maximum	\$0.0275
Minimum	\$0.0000
Commodity Rate - Port of Morgan, MT to North Hayden, IN	
Maximum	\$0.0004
Minimum	\$0.0004

1/ Applicable to any Rate Schedule T-1 U.S. Shippers Service Agreement or any Rate Schedule T-1B Service Agreement with a primary term of at least twelve consecutive months.

Interim 2019 Rates

Service	Rates, Tolls and Charges		
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month based on a three-year term (Price Point "B") & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$217.29 /10 ³ m ³ / month		
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point		
3. Rate Schedule FT-D ¹	Refer to Attachment "2" for applicable FT-D Demand Rate per month based on a one year term (Price Point "Z") & Surcharge for each Group 1 or Group 2 Delivery Point Average FT-D Demand Rate for Group 1 Delivery Points \$5.86 /GJ FT-D Demand Rate for Group 2 Delivery Points \$5.66 /GJ FT-D Demand Rate for Group 3 Delivery Points \$6.80 /GJ		
4. Rate Schedule STFT	STFT Bid Price = Minimum of 100% of the applicable FT-D Demand Rate based on a one year term (Price Point "Z") for each Group 1 Delivery Point		
5. Rate Schedule FT-DW	FT-DW Bid Price = Minimum of 125% of the applicable FT-D Demand Rate based on a three year term (Price Point "Y") for each Group 1 Delivery Point		
6. Rate Schedule FT-P ¹	Refer to Attachment "3" for applicable FT-P Demand Rate per month		
9. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate for each Receipt Point		
10. Rate Schedule IT-D ¹	Refer to Attachment "2" for applicable IT-D Rate for each Delivery Point		
11. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
12. Rate Schedule PT	The PT Charge is determined in accordance with the applicable Schedule of Service		
13. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2018140501	\$131.39	/10 ³ m ³ / month
	2018140508	\$131.39	/10 ³ m ³ / month
	2018140509	\$131.39	/10 ³ m ³ / month
	2011475772	\$9,250.00	/ month
	2018151741	\$791.00	/ month
	2003004522	Applicable IT-R and IT-D Rate	
	2011476052 /	\$0.1862	/ GJ subject to
	2011476054	\$717,000.00	Minimum Annual Charge
	2017887638 / 2011476092	\$0.095	/ GJ and
	2016721799 / 2016759254	\$1,000.00	/ month
14. Rate Schedule CO2	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>	
	1	554.23	
	2	438.53	
	3	284.72	
15. Monthly Abandonment Surcharge ²	\$10.90 /10 ³ m ³ / month	\$0.29 /GJ/month	
16. Daily Abandonment Surcharge ³	\$0.36 /10 ³ m ³ /day	\$0.0095 /GJ/day	

1. Service under rate Schedules FT-D, FT-P and IT-D for delivery stations identified in Attachment 2, and rate Schedules OS No. 2011476092, are subject to the ATCO Pipelines Franchise Fees pursuant to paragraph 15.13 of the General Terms and Conditions.

2. Monthly Abandonment Surcharge applicable to Rate Schedules FT-R, FT-D, FT-P, FT-RN, FT-DW, and STFT, and the following Rate Schedules OS: 2018140501, 2018140508, 2018140509.

3. Daily Abandonment Surcharge applicable to Rate Schedules IT-R, IT-D, the following Rate Schedules OS: 2011476052, 2011476054, 2017887638, 2011476092, 2016721799, 2016759254, 2003004522, and if applicable Over-Run Gas.

Interim 2019 Rates

Group 1 Delivery Point Number	Group 1 Delivery Point Name	FT-D Demand Rate Price Point "Z" (\$/GJ/mo)	IT-D Rate (\$/GJ/d)
2000	ALBERTA-B.C. BORDER	5.66	0.2047
31111	ALLIANCE CLAIRMONT INTERCONNECT APN	5.66	0.2047
31110	ALLIANCE EDSON INTERCONNECT APN	5.66	0.2047
31112	ALLIANCE SHELL CREEK INTERCONNECT APGC	5.66	0.2047
3002	BOUNDARY LAKE BORDER	5.66	0.2047
1958	EMPRESS BORDER	5.99	0.2166
3886	GORDONDALE BORDER	5.66	0.2047
6404	MCNEILL BORDER	5.99	0.2166

Group 2 Delivery Point Number	Group 2 Delivery Point Name	FT-D Demand Rate Price Point "Z" (\$/GJ/mo)	IT-D Rate (\$/GJ/d)	Subject to ATCO Pipelines Franchise Fees ¹
31000	A.T. PLASTICS SALES APN	5.66	0.2047	Yes
31001	ADM AGRI INDUSTRIES SALES APN	5.66	0.2047	Yes
3880	AECO INTERCONNECTION	5.66	0.2047	
31003	AGRIUM CARSELAND SALES APS	5.66	0.2047	
31002	AGRIUM FT. SASK SALES APN	5.66	0.2047	Yes
31004	AGRIUM REDWATER SALES APN	5.66	0.2047	
31005	AINSWORTH SALES APGP	5.66	0.2047	
31006	AIR LIQUIDE SALES APN	5.66	0.2047	
3214	AKUINU RIVER WEST SALES	5.66	0.2047	
31007	ALBERTA ENVIROFUELS SALES APN	5.66	0.2047	Yes2
31008	ALBERTA HOSPITAL SALES APN	5.66	0.2047	Yes
3868	ALBERTA-MONTANA BORDER	5.66	0.2047	
3297	ALDER FLATS SOUTH NO 2 SALES	5.66	0.2047	
3059	ALLISON CREEK SALES	5.66	0.2047	
31009	ALTASTEEL SALES APN	5.66	0.2047	Yes2
3562	AMOCO SALES (BP SALES TAP)	5.66	0.2047	
31012	APL JASPER SALES APN	5.66	0.2047	Yes
3488	ARDLEY SALES	5.66	0.2047	
3237	ASPEN SALES	5.66	0.2047	
3662	ATUSIS CREEK EAST SALES	5.66	0.2047	
3216	AURORA NO 2 SALES	5.66	0.2047	
3135	AURORA SALES	5.66	0.2047	
3288	BANTRY SALES	5.66	0.2047	
3423	BASHAW WEST SALES	5.66	0.2047	
31013	BAYMAG SALES APS	5.66	0.2047	
31014	BEAR CREEK COGEN SALES APGP	5.66	0.2047	
3299	BEAR RIVER WEST SALES	5.66	0.2047	
3068	BEAVER HILLS SALES	5.66	0.2047	

NATURAL GAS TARIFF



Canceling ^{48th} Revised Sheet No. 80.1
^{47th} Revised Sheet No. 80.1

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Transmission System under the terms of a Firm Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

	<u>Total Rate</u>	<u>Tax Portion of Rate</u>	<u>Rate Without Tax</u>
RATES: Net Monthly Bill:			
Monthly Service Charge per Meter:			
Meters Rated @			
<u>Cu. Ft. per hour</u>			
5,000 to 10,000	\$ 123.50		\$ 123.50
10,001 to 30,000	\$ 177.45		\$ 177.45
>30,000	\$ 393.75		\$ 393.75

PLUS:

Transmission Reservation Rate (MDDQ):

Maximum Monthly Reservation Rate for
Maximum Daily Delivery Quantity
(MDDQ)

\$ 1.0115246 \$ 0.2992478 \$ 0.7122768

Transmission Commodity Rate (Therm):

Maximum

\$ 0.0076673 \$ 0.0022698 \$ 0.0053975

Minimum

\$ 0.0017935 \$ 0.0017935

GTAC Amortization

\$ 0.0015956 \$ 0.0015956

Balancing Penalty Rate

Higher of \$25.00/ Dekatherm Or
150% of Market Price

TAX PORTION OF RATE: This rate represents the amount charged to customers for state and local taxes and fees and is separately disclosed on customer's bill.

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTC-1 Amortization shall be in effect until the balance is extinguished.

MINIMUM BILL: Per respective contracts.

(continued)



Docket No.: D2018.11.80
Staff Approved: December 21, 2018
No Commission Action

Effective for services rendered on or
after January 1, 2019
Sydney Lussell
Administrative Assistant

STATE OF SOUTH DAKOTA
GAS RATE SCHEDULE

South Dakota Intrastate Pipeline Company
1415 N. Airport Road
Pierre, SD 57501

SD P.U.C. Section 3
1st Revised Sheet No. 1
Cancelling Original Sheet No. 1

FIRM TRANSPORTATION SERVICE Rate 1

Transportation rate is \$159,540.83 monthly for Firm Service effective September 1, 2018 through August 31, 2023.

R

The Transportation rate is \$149,663.42 monthly for Firm Service effective September 1, 2023, if South Dakota Intrastate Pipeline Company has not submitted a new application for rates, with an effective date prior to August 31, 2023.

N
N
N

Revenue credits shall be applicable as set forth in the Contract for Firm Transportation Service.

N

All general terms and conditions of Service shall be set forth in a Firm Transportation Service Agreement executed by the customer and South Dakota Intrastate Pipeline Company

N
N

Date Filed: June 20, 2018

Effective Date: September 1, 2018

Issued by: Lisa A. Murphy, Vice President-Chief Financial Officer

Docket No.: NG17-009



Statement of Firm and Interruptible Transportation Service Rates
Applicable to Shippers Not Receiving
Choice Gas Service
Rate Schedule TC 1/
Casper Division

<u>Division</u>	<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Monthly Customer Charge</u>	<u>Maximum Demand Charge 6/</u>	<u>Minimum Demand Charge 6/</u>	<u>Maximum Transportation Charge 2/</u>	<u>Minimum Transportation Charge 2/</u>	<u>Fuel Reimbursement Quantity Percentage 3/</u>
TC (Casper)								
Firm Transportation	MLI	MLI	\$0.00	\$9.50	\$0.00	\$0.1040	\$0.0010	0.351%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.1040	\$0.0010	0.351%
	MLI	DSE	\$225.00	\$0.00	\$0.00	\$0.1703	\$0.0020	1.743%
Interruptible Transportation 4/	MLI	MLI	\$0.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.351%
	MLI	MLE	\$145.00	\$0.00	\$0.00	\$0.0844	\$0.0010	0.351%
Administrative Fee 5/			\$325.00					

- 1/ Casper Division service area is defined on Sheet Nos. 2 and 3 of this Tariff.
- 2/ All charges are per therm.
- 3/ For fuel, lost and unaccounted for gas, the Company shall be entitled to retain the stated percentage of all therms received for transportation, unless otherwise agreed in writing. Further details are given on Sheet No. 56 section 14A.
- 4/ Interruptible Transportation Service is not available to Distribution System End-user Customers. The Customer Charge will be charged only for those months gas actually flows.
- 5/ In addition to the transportation charges stated above, Shippers are responsible for the monthly administrative fee as stated, applicable to each meter located at the Customer location. For Interruptible Transportation Shippers, the Administrative Fee will be charged only for those months gas actually flows. Firm Transportation Shippers will be charged each month, regardless of gas flow.
- 6/ Per Dth of MDTQ per month.

Abbreviations (as defined in the General Terms and Conditions of this Tariff):
 MLI Mainline System Interconnect
 MLE Mainline System End-user
 DSE Distribution System End-user
 MDTQ Maximum Daily Transportation Quantity

STATEMENT OF RATES
 (Rates Per Dekatherm)

Currently Effective Term-Differentiated Rates

Rate Schedule	Base Tariff Rate
<u>Category 1 (Contract Term of Less than 3 Years)</u>	
Monthly Reservation Rates	
FT-A	
Zone 1-1 Maximum Rate	\$4.7507
Zone 1-1 Minimum Rate	\$0.0000
Zone 1-2 Maximum Rate 1/	\$5.7394
Zone 1-2 Minimum Rate	\$0.0000
Zone 2-2 Maximum Rate	\$3.3143
Zone 2-2 Minimum Rate	\$0.0000
<u>Category 2 (Contract Term of 3 Years to less than 5 Years)</u>	
Monthly Reservation Rates	
FT-A	
Zone 1-1 Maximum Rate	\$4.5607
Zone 1-1 Minimum Rate	\$0.0000
Zone 1-2 Maximum Rate	\$5.5494
Zone 1-2 Minimum Rate	\$0.0000
Zone 2-2 Maximum Rate	\$3.1243
Zone 2-2 Minimum Rate	\$0.0000
<u>Category 3 (Contract Term of 5 or more Years)</u>	
Monthly Reservation Rates	
FT-A	
Zone 1-1 Maximum Rate	\$4.3706
Zone 1-1 Minimum Rate	\$0.0000
Zone 1-2 Maximum Rate	\$5.3593
Zone 1-2 Minimum Rate	\$0.0000
Zone 2-2 Maximum Rate	\$2.9343
Zone 2-2 Minimum Rate	\$0.0000

1/ Throughout Viking's Statement of Rates and Tariff, "Zone 1-2" shall mean Transportation Service for quantities received in Zone 1 and delivered in Zone 2 or received in Zone 2 and delivered in Zone 1 whether by transport, exchange, or Displacement.

Rate Schedule	Base Tariff Rate	Fuel and Loss Retention Percentages 2/
Commodity Rates 1/		
FT-A – Maximum Rates		
Zone 1-1	\$0.0116	0.23%
Zone 1-2	\$0.0116	0.27%
Zone 2-2	\$0.0116	0.04%
Minimum Rate	\$0.0116	
IT and AOT		
Zone 1-1	\$0.1678	0.23%
Zone 1-2	\$0.2003	0.27%
Zone 2-2	\$0.1206	0.04%
Minimum Rate	\$0.0116	

- 1/ Pursuant to Section 19 of the General Terms and Conditions, the maximum and minimum commodity rates shall be increased to include the Commission-authorized Annual Charge Adjustment unit rate as published on the Commission's Web Site located at <http://www.ferc.gov>.
- 2/ The Fuel and Loss Retention Percentages shall be applicable to all transportation rate schedules and includes the following Gas Lost and Unaccounted For Percentages: 0.00% for Zone 1-1, 0.00% for Zone 1-2, and 0.00% for Zone 2-2. Transportation entirely by Displacement will incur only the Gas Lost and Unaccounted For Percentages.

Rate Schedule	Base Tariff Rate	Adjustment Under Section 27 1/	Rate After Current Adjustment
LMS – Monthly Demand Rate	\$1.00		\$1.00
LMS – Daily Overrun Rate	\$0.2003		\$0.2003
LMS – Load Management Cost Reconciliation Adjustment		\$0.0473	

- 1/ Pursuant to Section 27 of the General Terms and Conditions of this Tariff, a mechanism is established to reconcile through surcharges or credits to the Rate Schedule LMS rate, as appropriate, differences between the cost to maintain Company's line pack gas and the amounts Company receives or pays for such gas arising out of the purchase and sale of such gas.

Rate Schedule	Maximum Rate Per Dekatherm	Minimum Rate Per Dekatherm
PAL		
NPL, OPL, and APL Service:		
Daily Commodity Rate	\$0.2003	\$0.0000
RPL Service:		
Daily Reservation Rate	\$0.2003	\$0.0000

**MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
NORTH DAKOTA GAS
EFFECTIVE FEBRUARY 2019**

	General Service		
	Storage Balance 1/	Prepaid Commodity Balance 2/	Prepaid Demand
October 2018	\$7,742,537	\$452,392	\$4,305,188
November	6,199,850	395,310	3,411,163
December	4,484,029	298,613	1,251,207
January 2019	2,028,816	191,036	(1,199,676)
February	3,267	102,295	(2,845,531)
March	(1,093,428)	54,243	(3,813,725)
April	(978,363)	59,284	(3,423,331)
May	1,718,313	177,442	(1,965,008)
June	3,583,308	259,158	(49,470)
July	4,716,678	308,818	1,824,607
August	5,941,649	358,160	3,696,950
September	8,421,407	467,202	5,342,048
October	8,629,789	476,266	5,646,230
13 month average	<u>\$3,953,681</u>	<u>\$276,940</u>	<u>\$936,973</u>
Rate of Return	7.236%	7.236%	7.236%
Return	\$286,088	\$20,039	\$67,799
Return Requirement	<u>\$347,291</u>	<u>\$24,326</u>	<u>\$82,304</u>

1/ Allocated on percent of Contracted Capacity.

2/ Allocated on Total Normalized Firm Dk Deliveries.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
FIRM**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2018									<u><u>(\$3,442,975)</u></u>
August	(\$391,755)	\$0	(\$5,804)	(\$397,559)	307,795	\$0.025	\$7,695	(\$405,254)	(3,848,229)
September	(133,072)	0	(6,799)	(139,871)	295,043	0.025	7,376	(147,247)	(3,995,476)
October	(353,621)	0	(7,446)	(361,067)	858,381	(0.214)	(63,597) 2/	(297,470)	(4,292,946)
November	(304,596)	0	(8,274)	(312,870)	1,391,043	(0.214)	(297,683)	(15,187)	(4,308,133)
Balance @ November 30, 2018									<u><u>(\$4,308,133)</u></u>

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 355,887 dk @ (\$0.214) and 502,494 dk @ \$0.025.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2018									<u><u>(\$17,036)</u></u>
August	(\$2,256)	\$0	(\$29)	(\$2,285)	21,725	\$0.005	\$110	(\$2,395)	(19,431)
September	3,335	0	(35)	3,300	20,732	0.005	103	3,197	(16,234)
October	(2,617)	0	(31)	(2,648)	37,071	(0.021)	49 2/	(2,697)	(18,931)
November	22,875	0	(37)	22,838	96,852	(0.021)	(2,033)	24,871	5,940
Balance @ November 30, 2018									<u><u>\$5,940</u></u>

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 5,276 dk @ (\$0.021) and 31,795 dk @ \$0.005.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
AIR FORCE**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ July 31, 2018									<u><u>(\$14,070)</u></u>
August	(\$21,693)	\$0	(\$24)	(\$21,717)	3,948	(\$0.020)	(\$79)	(\$21,638)	(35,708)
September	(4,143)	0	(63)	(4,206)	4,446	(0.020)	(89)	(4,117)	(39,825)
October	1,196	0	(74)	1,122	12,738	(0.032)	(255) 2/	1,377	(38,448)
November	(7,622)	0	(74)	(7,696)	30,393	(0.032)	(972)	(6,724)	(45,172)
Balance @ November 30, 2018									<u><u>(\$45,172)</u></u>

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 0 dk @ (\$0.032) and 12,738 dk @ (\$0.020).